

Message Text

UNCLASSIFIED

PAGE 01 MEXICO 15835 170151Z
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00
NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 ITC-01
TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01 EUR-12
EA-09 /116 W

----- 036989 /17

R 162341Z DEC 76
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 9239

UNCLAS MEXICO 15835

E.O. 11652: N/A
TAGS: ETRD
SUBJ: USITC INVESTIGATION

REF: STATE 263360

1. FOLLOWING IS INFORMATION REQUESTED REFTEL:

(1) QUANTITY AND VALUE OF DOMESTIC PRODUCTION AND EXPORTS
TO THE UNITED STATES, FOR THE PERIOD 1971-76, OF THE FOLLOWING
WATCH PRODUCTS, BY CATEGORY:

A. CONVENTIONAL WATCHES AND MOVEMENTS:

1. JEWEL LEVER: PRODUCTION - 800,000 UNITS.
FACTORY VALUE - 12,500,000.00
2. PIN LEVER: PRODUCTION - 650,000 UNITS.
FACTORY VALUE - \$6,250,000.00

B. NONCONVENTIONAL (ELECTRONIC) WATCHES AND MOVEMENTS OR
MODULES (NOT HAVING A BALANCE WHEEL AND HAIRSPRING
MECHANISM):

1. SOLID-STATE DIGITAL - NO EXPORTS, NO PRODUCTION
2. ELECTRO-QUARTZ ANALOG NO EXPORTS, NO
PRODUCTION

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MEXICO 15835 170151Z

3. TUNING FORK - NO EXPORTS, NO PRODUCTION

C. SOLID-STATE WATCH MODULE CIRCUITS (I.E., INCOMPLETE
MODULES): THESE ARE ASSEMBLED IN BOND AND DO NOT
QUALIFY AS EXPORTS.

D. COMPONENTS FOR SOLID-STATE MODULES:

1. QUARTZ CRYSTAL OSCILLATOR ASSEMBLY: NONE
2. SUBSTRATE: NONE
3. LED AND LCD READOUTS: NONE
4. INTEGRATED CIRCUITS: NONE

3. CASES:

1. FOR CONVENTIONAL WATCHES: PRODUCTION - 700,000 UNITS
VALUE - \$1,750,000.00
2. FOR NONCONVENTIONAL (ELECTRONIC) WATCHES:
PRODUCTION - 15,000 UNITS.
VALUE - \$75,000.00.

2. PRODUCTION FIGURES FOR YEARS 1971-74 ARE UNAVAILABLE.
THERE IS VIRTUALLY NO EXPORT OF WATCHES OR WATCH PRODUCTS
FROM MEXICO TO THE U.S.

3. STRUCTURE OF DOMESTIC INDUSTRY.

(1) THERE ARE THREE MANUFACTURES OF CONVENTIONAL WATCHES
IN MEXICO:

A. TIEMPO, S.A. IS A GERMAN SUBSIDIARY (PORTA UHRENFABRIK);

B. CITIZEN DE MEXICO, S.A. IS A JAPANESE SUBSIDIARY; AND,

C. INDUSTRIA NACIONAL DE RELOJES SUIZOS, S.A. IS A SWISS
SUBSIDIARY.

(2) 80 O/O OF COMPONENTS AND OTHER MATERIALS ARE OBTAINED
FROM EUROPEAN SOURCES AND 20 O/O FROM THE U.S.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MEXICO 15835 170151Z

4. NATURE OF INDUSTRY -

- (1) LABOR INTENSIVE - THE ENTIRE INDUSTRY ACCOUNTS
FOR ONE THOUSAND WORKERS, MOSTLY WOMEN.
- (2) COMPLETE WATCHES ASSEMBLED.
- (3) 85 O/O OF MACHINERY AND EQUIPMENT ARE FROM EUROPE;
15 O/O FROM THE U.S.

5. THE MEXICAN WATCH INDUSTRY REFLECTS TECHNOLOGICAL
DEVELOPMENTS OR CHANGES IN EUROPE, THE U.S. AND JAPAN.
NO TECHNOLOGICAL DEVELOPMENTS, CHANGES OR IMPROVED MANU-
FACTURING PROCESSES ARE CONTEMPLATED.

6. IMPORT TARIFFS:

WATCHES - 25 PERCENT AD VALOREM; CASES - 25 PER CENT AD VALOREM;
PARTS - 10-15 PERCENT AD VALOREM.

7. MINIMUM SALARIES:

STATE OF MEXICO - \$4.17 PER DAY; FEDERAL DISTRICT -
\$4.83 PER DAY. FRINGE BENEFITS INCLUDE HOUSING,
HEALTH CARE, EDUCATION, ANNUAL BONUS, PROFIT SHARE.

8. INDUSTRY HAS 10-15 PERCENT ANNUAL GROWTH RATE.

JOVA

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL PRODUCTION, WATCHES, INVESTIGATIONS, TARIFFS, ECONOMIC DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 16 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MEXICO15835
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760464-0445
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761237/aaaabfvc.tel
Line Count: 123
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 263360
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 JUN 2004 by hattaycs>; APPROVED <26 AUG 2004 by schwenja>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: USITC INVESTIGATION
TAGS: ETRD, MX
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006